

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS

COGNEX CORPORATION,	)	
Plaintiff,	)	
	)	
v.	)	CIVIL ACTION NO. 04 12365 JLT
	)	
JEAN CARON,	)	
Defendant.	)	
	)	

**AFFIDAVIT OF DIANE M. TRACEY**

I, Diane M. Tracey, being first duly sworn, do hereby depose and state as follows:

1. I have been employed by Cognex Corporation ("Cognex") since November 4, 2002 as Treasury Manager. .
2. As a Treasury Manager, among other things, I (a) manage worldwide cash for all subsidiaries and branches of Cognex including funding, forecasting, banking relationships/requirements etc., (b) manage three outside investment managers in addition to local firms used for the "self-managed" piece, (c) manage all activity relating to the investment portfolio using a treasury workstation, and (d) manage Cognex's stock options as well as the cashless exercise program, which includes tracking all Cognex employees' stock option grants, maintaining stock option agreements, and facilitating and administering Cognex employee stock option exercises.
3. During Caron's employment with Cognex he received seven stock option grants allowing him to purchase shares of stock in Cognex Corporation, a Massachusetts corporation headquartered in Natick, Massachusetts. Each grant was governed and operated pursuant to a Stock Option Agreement. True and accurate copies of the

seven Stock Option Agreements Caron executed in connection with these grants are attached to this affidavit as Exhibit A.

4. From July 10, 2003 to July 24, 2003, Jean Caron ("Caron") executed five separate stock option exercises which yielded him gross earnings of \$6,828.50. Attached as Exhibit B to the affidavit is a true and accurate printout of Caron's stock option exercise data as stored in Cognex's secure Equity Edge database.
5. All Cognex employees worldwide can be eligible for stock options, which give the grantee-employee the option to purchase stock in Cognex Corporation, which is headquartered in Natick, Massachusetts.
6. All stock option grants are approved by the Cognex Corporation Board of Directors (the "Board").
7. Once approved by the Board the grant information (*i.e.*, number of shares, vesting schedule, etc.) is entered into a database which then merges pertinent information to create a Stock Option Agreement.
8. In administering stock option grants to Cognex employees in Europe, all stock option agreements originate at Cognex headquarters and are sent to Cognex International's Human Resources Department in France who then facilitates the distribution of the stock options to the grantee-employee.
9. Once the grantee-employee receives the stock option agreement he/she must then sign the agreement and send it back to Cognex headquarters for Cognex's signature.
10. Upon exercise of any stock options by any Cognex employee worldwide, the option price is paid to Cognex and the employee retains the grant proceeds.

Sworn under the pains and penalties of perjury this 9<sup>th</sup> day of December, 2004.

/s/ Dianne M. Tracey  
Diane M. Tracey